Performance Summary April 2011

SA Metropolitan Fire Service Superannuation Scheme

Funds SA is responsible for investing the assets of the SA Metropolitan Fire Service Superannuation Scheme. In this summary Funds SA provides an overview of the performance of the multi-sector products offered under the Scheme.

Performance

Key drivers of multi-sector performance during April 2011 included:

- A strong corporate reporting season and a further commitment from the US Federal Reserve to maintain its accommodative monetary policy provided a boost to investor sentiment globally;
- Equities, commodities, and non-government debt securities finished higher, with those assets perceived to be of higher risk generally outperforming more defensive sectors;
- Those assets with close ties to emerging market growth, such as Australian and emerging market equities, underperformed amid concerns over the announcement of further policy measures aimed at controlling rising inflation in those countries; and
- Commodity currencies and precious metals outperformed the USD which drifted lower against all major currencies on the back of the US Federal Reserve's relative monetary policy stance.

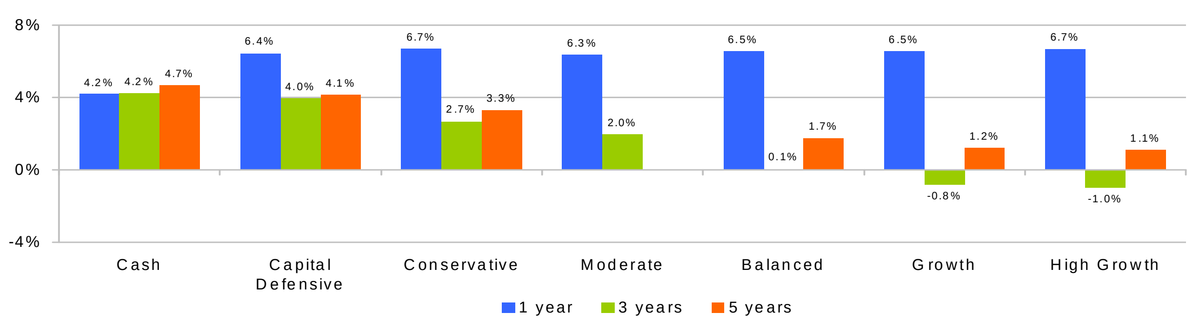
The table and chart below shows Funds SA's multi-sector taxable product returns based on the post tax unit prices in the SLA.

Table 1: Multi-sector product returns net of fees to 30 April 2011 [1, 2]

	1 mth %	3 mths %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.
Cash	0.4	1.0	3.6	4.2	4.2	4.7
Capital Defensive	0.7	1.9	5.4	6.4	4.0	4.1
Conservative	0.7	2.0	7.3	6.7	2.7	3.3
Moderate	0.5	2.0	8.8	6.3	2.0	n.a.
Balanced	0.4	2.1	9.9	6.5	0.1	1.7
Growth	0.4	2.1	10.7	6.5	-0.8	1.2
High Growth	0.2	2.1	12.3	6.7	-1.0	1.1

1. Returns are based on the post tax unit prices in the SLA.
2. The taxable products were established in April 2005, with the exceptions of the Moderate product (established in July 2006)

Chart 1: Multi-sector product annualised returns net of fees to 30 April 2011



Asset Allocation

The targeted asset allocation of the multi-sector products is shown in the table below.

Table 2: Targeted asset allocation for the 2010-2011 financial year

	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100.0	25.0	15.0	8.0	3.0	2.0	2.0
Short Term Fixed Interest	0.0	23.0	13.0	7.0	5.0	2.0	0.0
Long Term Fixed Interest	0.0	5.0	5.0	9.0	6.0	3.0	0.0
Inflation Linked Securities B	0.0	22.0	22.0	16.0	13.0	10.0	0.0
Diversified Strategies Income	0.0	15.0	15.0	10.0	10.0	10.0	8.0
Property B	0.0	4.0	6.0	8.0	8.0	12.0	14.0
Australian Equities B	0.0	4.0	14.0	25.0	29.0	33.0	41.0
International Equities B	0.0	2.0	10.0	17.0	20.0	22.0	27.0
Diversified Strategies Growth B	0.0	0.0	0.0	0.0	6.0	6.0	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Financial Market Snapshot

The table below summarises market performance.

Table 3: Major Market Index Returns

Index movements to 30 April 2011	1 month %	3 months %	FYTD %	1 Year %	3 Years % pa	5 Years % pa
Cash and fixed income						
Cash	0.4	1.2	4.1	4.9	4.9	5.6
Australian Fixed Interest	0.5	1.6	3.6	6.8	7.5	6.2
Australian Inflation-Linked	1.5	3.5	5.9	8.8	4.0	4.7
Global Fixed Interest (1)	1.2	2.1	5.2	7.8	8.7	8.1
Global Inflation-Linked(1)	2.2	4.7	9.1	10.8	8.2	8.4
Property (2)						
Australian Listed Property	0.3	1.6	6.7	1.1	-15.6	-9.4
Global Listed Property	3.8	5.0	28.4	16.2	-3.2	-0.6
Equities(2)						
Australian Equities	-0.3	2.7	16.5	4.9	-0.5	2.6
Global Equities	2.3	3.9	25.4	11.1	-1.3	0.3
US Equities	3.0	6.5	34.4	17.2	1.7	3.0
Japanese Equities	-1.8	-5.5	3.4	-12.0	-13.3	-11.5
Asia (ex Japan) Equities	2.3	3.5	21.9	17.2	3.6	10.0
European Equities	3.4	3.6	20.9	11.0	-1.3	0.3
Global Small Companies	2.1	6.7	33.5	17.8	3.6	2.2
Emerging Market Equities	1.0	3.4	21.2	14.4	3.2	9.4
Currency (3)						
Australian Dollar vs MSCI Currency Basket	3.8	6.9	20.7	11.3	4.5	5.6
Australian Dollar vs USD	5.8	9.8	29.6	17.6	5.1	7.6

(1) Australian dollar return (hedged)

(2) Local currency return

(3) A positive number represents appreciation of the Australian dollar. A negative number represents depreciation.

Key factors impacting financial markets performance during April 2011 are summarised below.

Equity Markets

Global equity markets rebounded strongly in April, with most major developed markets posting positive returns this month. Investors largely shrugged off lingering concerns over the Japanese disaster, European sovereign debt issues, and fears of an adverse impact on economic growth of further monetary tightening in emerging markets, with improvements in sentiment driven by a strong corporate reporting season and a commitment from the US Federal Reserve to maintain its extremely accommodative monetary stance. Against this backdrop, the MSCI World Index of developed equity markets finished the month 2.3% higher.

The US market continued its recent trend as one of the strongest performing equity markets, as a series of better-than-expected economic data releases reinforced signs of economic recovery. In addition, investors were encouraged by a strong corporate reporting season and an announcement from the US Federal Reserve that monetary policy would remain accommodative following the scheduled end of quantitative easing in June. Elsewhere, all major European markets followed the US lead to finish the month higher, with German stocks again the standout performer in the region, as economic growth in that country continues to accelerate on strong export growth. Asian and emerging markets, on the other hand, continued to lag, with another interest rate rise and reduction in economic growth target in China weighing more heavily on those markets.

In Australia, the equity market again lagged other developed markets, posting a small decline for the month. The local market's close ties to China saw the resources sector underperform amid concerns of slower economic growth in emerging markets, while the strong Australian dollar continues to hurt those segments of the market with significant offshore exposure. Also weighing on investor sentiment was the series of less than impressive domestic economic data released during the month, with retail sales and building activity, in particular, remaining soft. On the other hand, those sectors perceived by investors to be more defensive, such as the big four banks, telecommunications, and utilities, all outperformed the broader market.

Debt Markets

All major debt markets recorded positive performance in April, as government bond yields fell across all regions. In the US, the release of softer-than-expected inflation data, followed by the Federal Reserve reiterating their intention to retain accommodative monetary policy, saw bond yields fall by 20bps across all maturities. Elsewhere, a slowing in economic growth in the UK and a flight to the relative safety of "core" European countries such as Germany and France within the Eurozone, saw yields fall in those regions. Locally, however, changes in bond yields were more muted as the release of higher-than-expected inflation data offset otherwise soft economic data releases. In all regions, the majority of the rally was the result of falling real yields, triggering a strong outperformance of inflation-linked bonds relative to nominal bonds over this period

As with other risk assets, non-government debt sectors benefited from the strong risk appetite that was evident in financial markets during April. These sectors benefitted from both a further narrowing of the risk premium demanded for holding these assets as well as the rally in the underlying government bond yields. Against this backdrop all sectors posted strong positive returns, with those higher risk sectors, such as global high yield, again experiencing the biggest gains.

Currency

Currency markets in April were again characterised by the US dollar weakening against all major currencies, as commodity prices continued to rise and the US Federal Reserve remains committed to its extremely accommodative monetary policy stance despite signs of recovery in US economic growth. The Australian dollar was again one of the best performing currencies this month, boosted by a higher-than-expected March CPI reading and weakness in the USD. The local currency gained 5.8% against the US dollar, to close the month close to US$1.10, and 3.8% against the broader MSCI Currency Basket.

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